

FOR IMMEDIATE RELEASE

Contact: Ted Lane tlane@footepartners.com
 David Foote dfoote@footepartners.com
 Tel: 772-234-2787

**FOOTE IT NEWS ANALYSIS – Technology employment trends in the
 February 2017 Bureau of Labor Statistics – U.S. Employment Report**

Tech jobs in February: 13,000 added to U.S. payrolls according to Department of Labor

**That’s 2,500 more than the monthly average for all of 2016 and nearly 5,500 higher
 than the average for last three months of last year.**

New trend or just a blip?

Vero Beach, FL – March 13, 2017. An analysis of Friday’s release of U.S. employment numbers by the Bureau of Labor Statistics (BLS) reveals a **net increase of 13,000 information technology jobs in February 2017** across four industry job segments commonly associated with technology professionals.
 [Figure 1]

The largest gains were recorded in job categories commonly associated with the IT services industries, expanding by 11,800 jobs. The **Management and Technical Consulting Services** segment added 6,300 new jobs to lead all tech job categories in February. The **Computer Systems Design/Related Services** segment grew by 5,500 net jobs. While these numbers appear strong it should be noted that the latter segment record a gain of 12,500 jobs in January while the former lost 200 jobs for a total January gain of 12,300 compared to February’s 11,800 rise. Moreover, the **Management and Technical Consulting Services** segment averaged nearly 7,400 monthly job growth in 2016, or 1,100 more than last month; monthly growth last year for **Computer Systems Design/Related Services** jobs was nearly identical to last month’s results.

Two other job segments commonly associated with information technology workers continued their uneven performances in February. 1,900 jobs were gained in the *Telecommunications* job segment following seven consecutive months of losses. The *Data Processing, Hosting and Related Services* segment recorded a net loss of 700 jobs after gains of 1,600 in December and 1,200 in January. Results in 2016 were starkly different: average monthly losses of 2,450 jobs in *Telecommunications* and a slight 700 job gains on average for *Data Processing, Hosting and Related Services*.

Comments Foote Partners' chief analyst David Foote, "It's a fact that Bureau of Labor Statistics numbers show February was the best month for job growth since last September; in fact higher than the monthly average job growth for calendar 2016 by nearly 25%. But then something happened in the last three months of last year---only 7,533 jobs were added on average in this period compared to 11,533 jobs per month in the first nine months. However three months is not sufficient time to declare a trend when analyzing national labor numbers. So when we saw the February results we interpreted this as just more evidence of volatility and uncertainty in the marketplace for U.S. tech jobs.

"The truth is that employers are still being cautious about adding overhead to their budgets and that's exactly the disadvantage of full-time hires over consultants and contingent workers," says Foote. "They cannot afford to make FTE staffing bets on technology enabled solutions they are experimenting with. They need to build flexibility and agility into their product and service development in case strategic and tactical directions change.

"They also must scale quickly to stay competitive. When they dig their heels into a solution that works, be it in cloud, security, Big Data, mobile, or digital technology, they tend to add headcount because they know these people will be making contributions for a long time to come. That may be conservative management behavior but it's also very smart. Ideally each new hire must have a measurable impact on the business: they can't just be a cost item for them. What will drive new job creation in 2017 will be hiring in niche areas such as Big Data and advanced analytics, cyber security, and certain areas of applications development and software engineering like DevOps and digital product development."

“There is one caveat in our analysis of the BLS data: we believe the BLS only reports approximately 40% of the true tech labor market. They fail to adequately track and report hot job market segments in many of these niches and especially in a large portion of hybrid IT-business positions that do not generally reside in the IT department but instead are distributed throughout companies in administrative areas, functional departments, and products groups for example”, insists Foote. “Our observation has been that there continues to be aggressive hiring occurring in several of these highly specialized areas. And it appears from the latest DoL reports that the contingent workforce of consultants and contractors is where most of new job growth is still focused. In fact, 164,900 jobs were added in the *Management and Technical Consulting Services* and *Computer Systems Design/Related Services segments* in the last twelve months while 27,800 total jobs were lost in the *Telecommunications* and *Data Processing, Hosting and Related Services* segments during the same period [Figure 3]”

“The Department of Labor will never be able to accurately track technology jobs unless it overhauls its methodology and job definition and classification model and that’s not going to happen anytime soon if at all. They can’t afford to render decades of historical employment trend data obsolete. That’s a very practical concern for people in a research business. As a research director myself they certainly have my sympathies. But at the same time this dilemma represents a serious conundrum for anyone trying to understand the true state of the technology labor marketplace in the U.S.”

Hiring Trend Charts – IT Employment Segments

February 2017 Employment Situation Summary Report

(U.S. Department of Labor/Bureau of Labor Statistics)

FIGURE 1 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (January 2016 to February 2017)

MONTHLY JOB SITUATION TRENDS – IT Professional Job Segments

(Highlights for four bellwether IT jobs segments)

	2016												2017	
	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Nonfarm job loss/gain (month)	168,000	233,000	186,000	144,000	24,000	271,000	252,000	176,000	208,000	135,000	164,000	155,000	238,000	235,000
National unemployment rate	4.9%	4.9%	5.0%	5.0%	4.7%	4.9%	4.9%	4.9%	5.0%	4.9%	4.6%	4.7%	4.8%	4.7%
Professional/Technical Services	25,300	17,600	13,500	31,100	25,800	17,000	37,400	20,100	29,900	16,900	23,700	6,600	22,700	20,300
<i>Segment 5: Management/Technical Consulting Services</i>	2,200	3,400	6,800	20,600	7,200	6,000	5,600	7,300	15,900	4,700	3,500	5,500	-200	6,300
<i>Segment 4: Computer Systems Design/Related Services</i>	3,400	4,400	4,100	7,300	7,400	1,400	8,200	6,100	5,400	8,300	5,400	4,100	12,500	5,500
Information	1,000	12,000	1,000	0	-34,000	44,000	0	4,000	1,000	4,000	-10,000	-6,000	3,000	0
<i>Segment 4: Telecommunications</i>	0	-2,200	-400	-2,500	-37,200	28,100	-300	-2,600	-3,700	-4,500	-2,000	-2,100	-3,800	1,900
<i>Segment 5: Data Processing/Hosting/ Related Services</i>	-100	900	200	-600	100	2,200	-2,300	900	600	200	-2,100	1,600	1,200	-700
Net gain/loss-ALL IT SEGMENTS	5,500	6,500	10,700	24,800	-22,500	37,700	11,200	11,700	18,200	8,700	4,800	9,100	9,700	13,000
Net gain/loss-ONLY IT SERVICES SEGMENTS	5,600	7,800	10,900	27,900	14,600	7,400	13,800	13,400	21,300	13,000	8,900	9,600	12,300	11,800
Net gain/loss-OTHER IT JOB SEGMENTS	-100	-1,300	-200	-3,100	-37,100	30,300	-2,600	-1,700	-3,100	-4,300	-4,100	-500	-2,600	1,200

Key: **Job gains in green**
 Job losses in red

NOTE: A labor strike in the telecommunications industry caused the temporary loss of 37,200 *Telecommunications* jobs in May 2016 and recovery of 28,100 in June 2016.

Source: US Department of Labor/Bureau of Labor Statistics.
 Data chart and analysis by Foote Partners LLC

FIGURE 2 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (January 2014 to December 2015)

(Continued) MONTHLY JOB SITUATION TRENDS – IT Professional Job Segments

(Highlights for four bellwether IT jobs segments)

	2014												2015											
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Nonfarm job loss/gain (month)	144,000	222,000	203,000	304,000	229,000	267,000	243,000	203,000	256,000	261,000	423,000	329,000	201,000	266,000	119,000	221,000	254,000	245,000	223,000	153,000	145,000	307,000	280,000	271,000
National unemployment rate	6.6%	6.7%	6.7%	6.3%	6.3%	6.1%	6.2%	6.1%	5.9%	5.8%	5.8%	5.6%	5.7%	5.5%	5.5%	5.4%	5.5%	5.3%	5.3%	5.1%	5.1%	5.0%	5.0%	5.0%
Professional/Technical Services	20,400	35,400	10,400	25,100	24,700	31,000	24,900	16,800	21,100	20,000	37,500	12,600	32,500	31,800	23,700	20,700	18,800	23,900	26,600	14,500	17,700	26,900	28,400	11,100
Segment 5: Management/Technical Consulting Services	600	5,300	3,500	5,000	6,800	8,200	2,700	3,000	11,500	4,000	7,300	3,200	3,600	7,100	3,800	6,000	7,000	-1,200	3,300	6,100	900	7,000	5,000	4,200
Segment 4: Computer Systems Design/Related Services	4,700	5,000	6,100	8,900	6,600	6,900	3,900	1,500	4,900	6,800	6,500	9,000	8,000	5,200	3,900	9,100	10,300	4,400	8,700	7,000	7,000	9,900	4,800	3,800
Information	0	-16,000	2,000	-3,000	-5,000	9,000	2,000	-3,000	12,000	-4,000	4,000	2,000	6,000	7,000	2,000	3,000	-3,000	7,000	2,000	-7,000	12,000	-1,000	-12,000	16,000
Segment 4: Telecommunications	-10,200	800	2,200	2,900	3,200	200	800	-1,800	4,600	800	2,300	-300	-400	-100	1,400	-1,700	-100	400	1,600	-3,500	600	-400	500	-900
Segment 5: Data Processing/Hosting/Related Services	1,800	-900	-900	100	-1,000	1,600	3,700	1,000	1,700	1,300	1,200	-3,000	3,300	1,500	1,500	100	2,700	2,200	1,300	1,600	1,300	-200	1,000	-1,000
Net gain/loss-ALL IT SEGMENTS	-3,100	10,200	10,900	16,900	15,600	16,900	11,100	3,700	22,700	12,900	17,300	8,900	14,500	13,700	10,600	13,500	19,900	5,800	14,900	11,200	9,800	16,300	11,300	6,100
Net gain/loss-ONLY IT SERVICES SEGMENTS	5,300	10,300	9,600	13,900	13,400	15,100	6,600	4,500	16,400	10,800	13,800	12,200	11,600	12,300	7,700	15,100	17,300	3,200	12,000	13,100	7,900	16,900	9,800	8,000
Net gain/loss-OTHER IT JOB SEGMENTS	-8,400	-100	1,300	3,000	2,200	1,800	4,500	-800	6,300	2,100	3,500	-3,300	2,900	1,400	2,900	-1,600	2,600	2,600	2,900	-1,900	1,900	-600	1,500	-1,900

Key: Job gains in green
Job losses in red

Source: US Department of Labor/Bureau of Labor Statistics.
Data chart and analysis by Foote Partners LLC

FIGURE 3 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (Through February 2017)

CUMULATIVE JOB SITUATION TRENDS – IT PROFESSIONALS

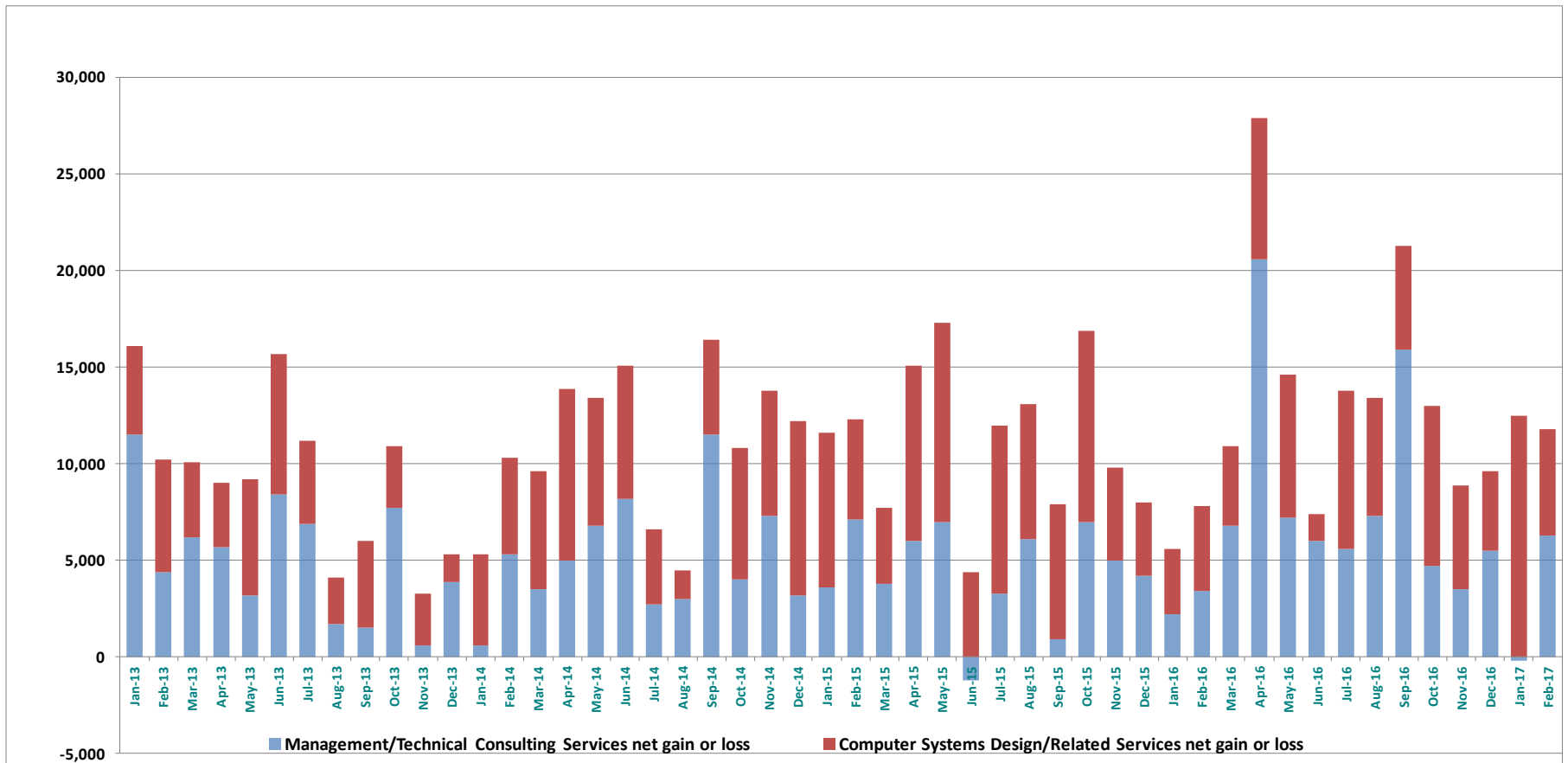
Highlights for four bellwether IT jobs segments)

U.S. LABOR DEPT CUMULATIVE NET JOB GAINS/DECLINES: through February 2017								
JOBS SEGMENT	36 mos.	24 mos.	12 mos.	8 mos.	6 mos.	4 mos.	3 mos.	2 mos.
Professional and Technical Services	808,600	520,200	265,000	177,600	120,100	73,300	49,600	43,000
<i>Segment 5: Management/Technical Consulting Services</i>	202,800	136,900	89,200	48,600	35,700	15,100	11,600	6,100
<i>Segment 4: Computer Systems Design/Related Services</i>	226,700	152,400	75,700	55,500	41,200	27,500	22,100	18,000
Information	68,000	39,000	7,000	-4,000	-8,000	-13,000	-3,000	3,000
<i>Segment 4: Telecommunications</i>	-19,000	-33,400	-29,100	-17,100	-14,200	-6,000	-4,000	-1,900
<i>Segment 5: Data Processing/Hosting/Related Services</i>	23,100	12,600	1,300	-600	800	0	2,100	500
TOTAL - ALL 4 IT SEGMENTS	433,600	268,500	137,100	86,400	63,500	36,600	56,800	22,700
IT Services segments	429,500	289,300	164,900	104,100	76,900	42,600	33,700	24,100
Tech Information segments	4,100	-20,800	-27,800	-17,700	-13,400	-6,000	-1,900	-1,400

Key: Job gains in green
Job losses in red

Source: US Department of Labor/Bureau of Labor Statistics.
Data chart and analysis by Foote Partners LLC

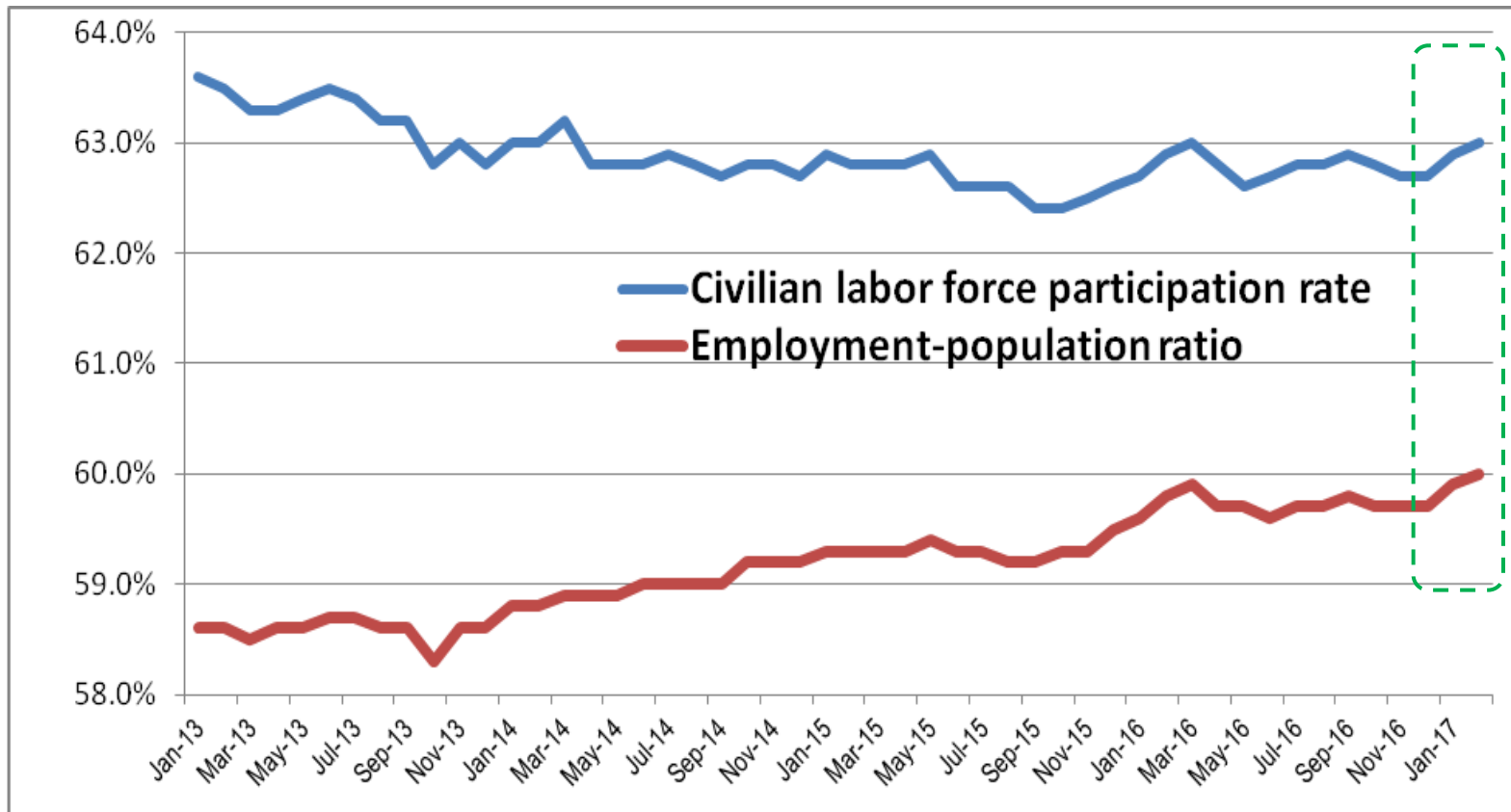
FIGURE 4 – JOB GROWTH/DECLINE - Management/Technical Consulting jobs vs. Computer Systems Design/Related services jobs
- Net job gains/losses from January 2012 to February 2017



Source: US Department of Labor/Bureau of Labor Statistics. Data chart and analysis by Foote Partners LLC

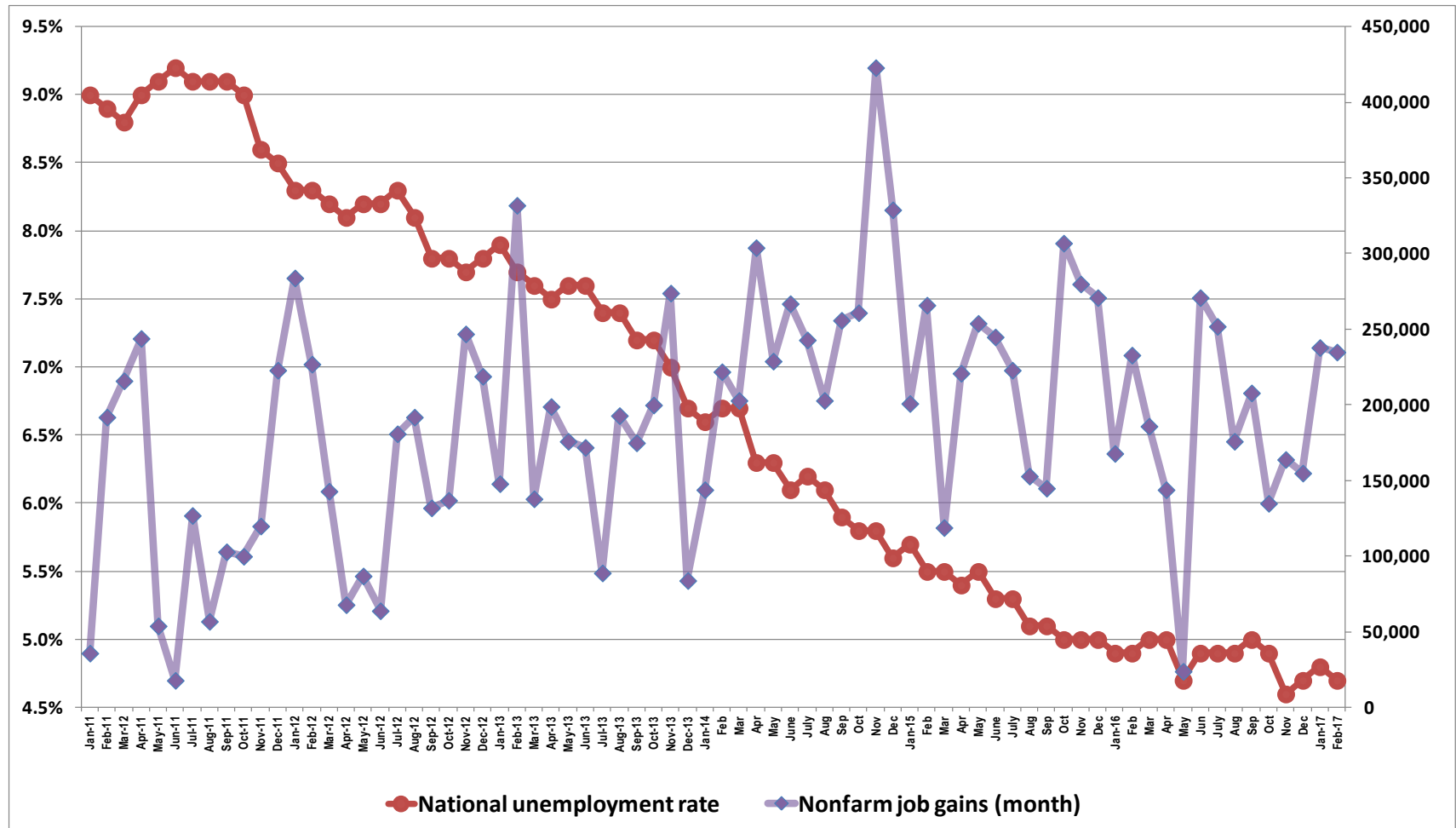
FIGURE 5 – Civilian Labor Force Participation Rate and Employment-Population Ratio – Monthly, 2013 to 2017

The number of working Americans—as measured by employment-population ratio--increased slightly in February 2017, returning to March 2016 numbers. The labor force participation rate, which measures the number of people who are working or looking for a job, also increased slightly.



Source: US Department of Labor/Bureau of Labor Statistics. Data chart and analysis by Foote Partners LLC

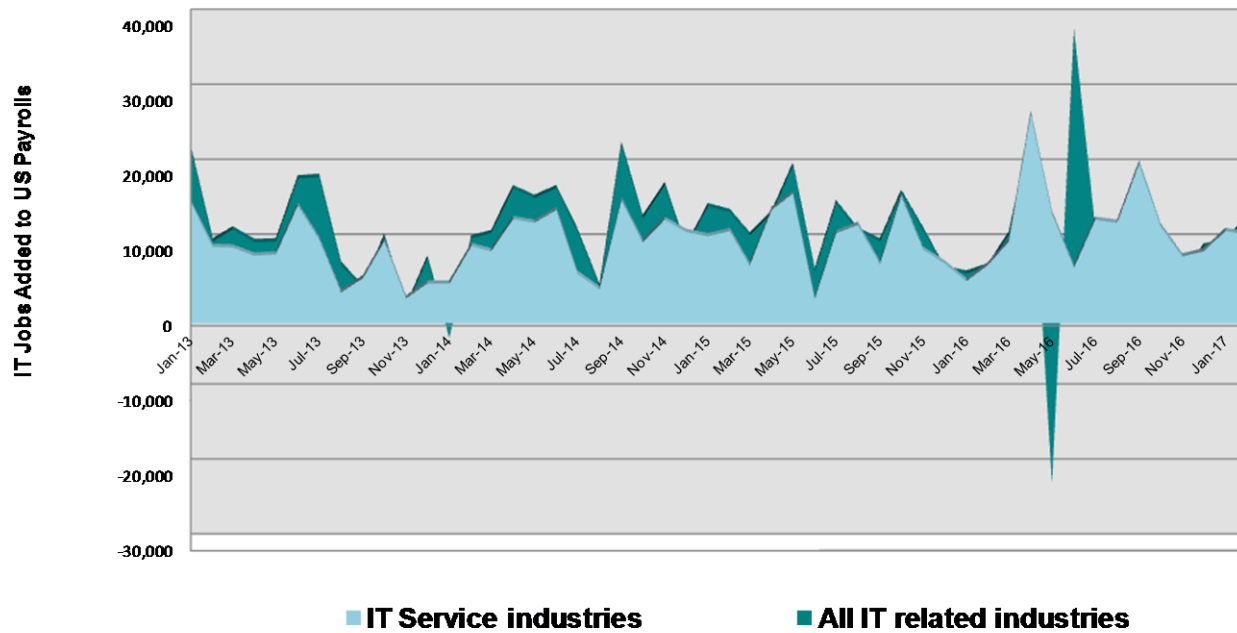
FIGURE 6 – JOB GROWTH/DECLINE - Management/Technical Consulting jobs vs. Computer Systems Design/Related services jobs
- Net job gains/losses from January 2011 to February 2017



Source: US Department of Labor/Bureau of Labor Statistics. Data chart and analysis by Foote Partners LLC

FIGURE 7

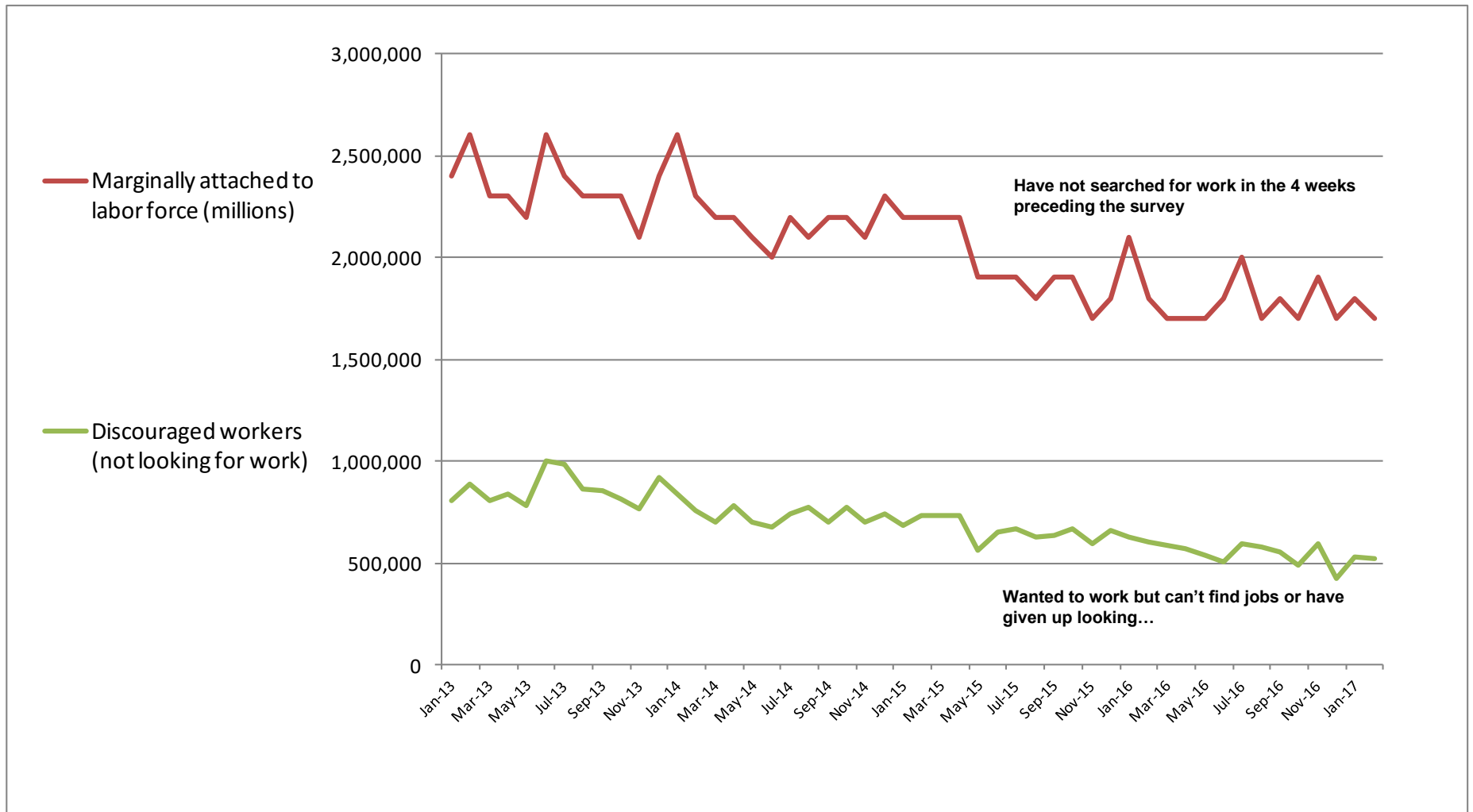
All Net IT Job Creation in last 12 months has been in IT Services Industries



Management and Technical Consulting Services and Computer Systems Design and Related Services segments **added 164,900 net jobs** in last 12 months while job *Telecommunications and Data Processing Hosting and Related Services* segments **lost 27,800 jobs** in the same period.

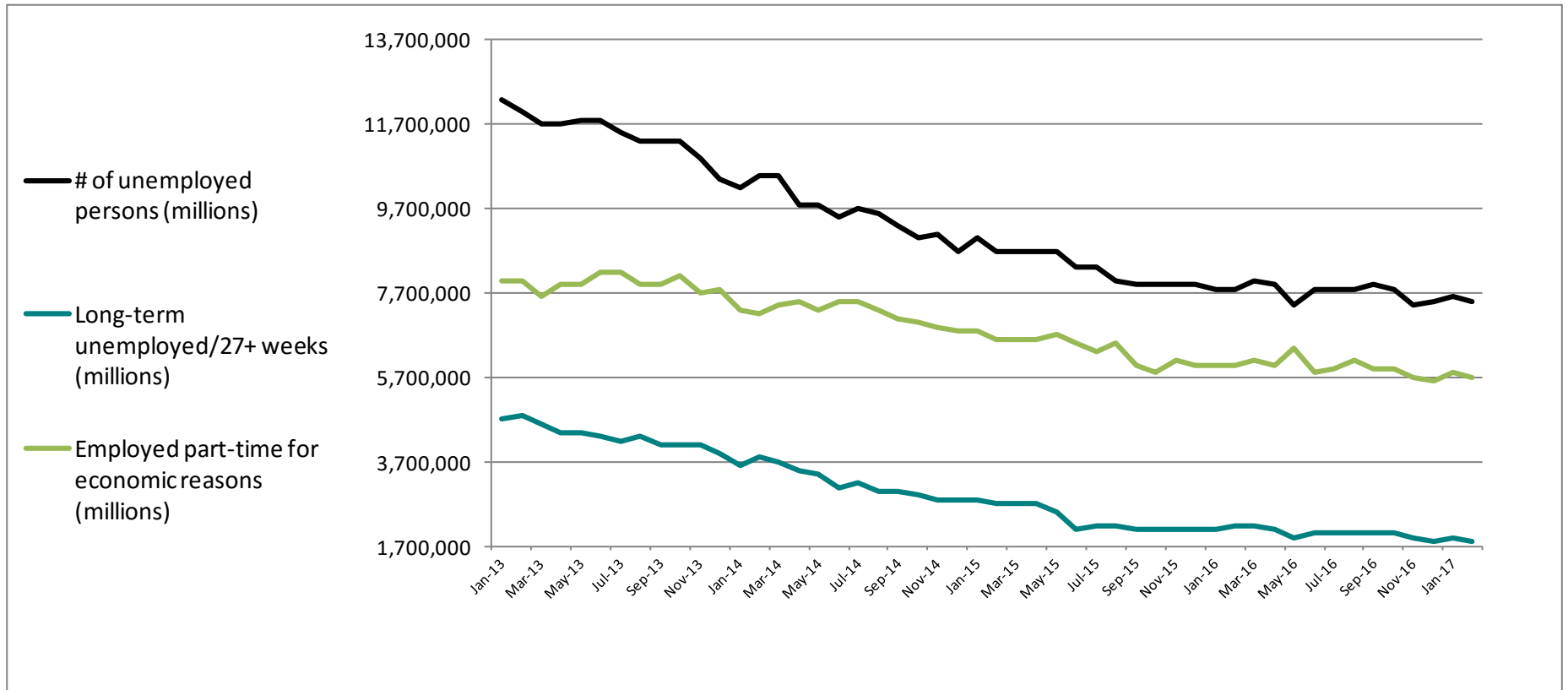
Source: US Department of Labor/Bureau of Labor Statistics. Data chart and analysis by Foote Partners LLC

FIGURE 8– LABOR FORCE COMPOSITION: Marginally attached vs. Discouraged - 2013 to 2017



Source: US Department of Labor/Bureau of Labor Statistics. Data chart and analysis by Foote Partners LLC

FIGURE 9 – UNEMPLOYED AND UNDEREMPLOYED PERSONS: Total vs. Long-Term vs. Part-timers - 2013 to 2017



Source: US Department of Labor/Bureau of Labor Statistics. Data chart and analysis by Foote Partners LLC

ABOUT FOOTE PARTNERS

[Foote Partners LLC](#) is a Vero Beach, FL based IT analyst firm and independent human capital management benchmark research organization focusing on the user (versus vendor) side of managing technology and IT value creation. A thought leader and trusted advisor to more than 5,300 employers on five continents who purchase our products and services, our company provides pragmatic forward -thinking advice and market intelligence targeting the human capital side of the modern highly integrated business/IT hybrid environment in which virtually all private and public organizations operate their businesses.

Our research is deeply grounded in specialized proprietary data-driven statistical and empirical research, surveys, and business intelligence collected from 3,018 U.S. and Canadian employers representing 260,000 tech professionals with whom the firm as forged long term research partnerships.

Founded in 1997 and comprised of former Gartner and META Group industry analysts, McKinsey & Company, Mercer and TowersWatson senior consultants, and former corporate HR, IT, and business executives, the firm’s research division publishes 100+ quarterly-updated benchmarking, analytical research and forecasting products that help employers benchmark their IT compensation, solve difficult information technology management and workforce problems, and strengthen their ability to execute complex business solutions.

Foote Partners’ respected ***IT Insider*** research series features comprehensive and up-to-date IT salary/bonus and technical skills premium pay benchmark surveys, and IT organization and workforce trends research. Included in the quarterly ***IT Insider*** series are the following:

- *IT Professional Salary Survey*
- *IT Skills and Certifications Pay Index™*
- *IT Salary+Skills Pay Survey Reports™*
- *IT Professional Job Descriptions*
- *IT Insider Workforce Trends Series™* reports
- *IT Skills Demand and Pay Trends Report™*
- *IT Skills and Certifications HOT LIST Forecast*
- *IT Skills & Certifications Volatility Index*

Headquarters: 4445 North A1A, Suite 200
Vero Beach, FL 32963
Tel: 772-234-2787
Web: www.footepartners.com
Twitter blog: @FPview